

Chapter 4

# Calculating TEACH Grants

In this chapter, we will illustrate the amounts a student may receive under the TEACH Grant program and show how to determine the correct grant award for each payment period. For more detail on TEACH Grant criteria and eligibility, see *Volume 1*. For more on payment periods, see *Chapter 1*, and for cost of attendance (COA), see *Chapter 2*.

## Teach Grant Basics

The TEACH Grant program is a non-need-based grant program that provides up to \$4,000 per year<sup>1</sup> to students who are enrolled in an eligible program and who agree to teach in a high-need field, at a low- income elementary school, secondary school, or educational service agency<sup>2</sup> as a highly qualified teacher, for at least four years within eight years of ceasing enrollment at the school where the TEACH Grant is awarded. The student must sign a TEACH Grant Agreement to Serve or Repay (Agreement) that describes the service obligation requirements before receiving a TEACH Grant for an award year, and must complete initial counseling prior to receiving a first TEACH Grant and subsequent counseling before receiving each subsequent TEACH Grant. If the student subsequently fails to meet TEACH Grant service obligation requirements, the TEACH Grants will be converted to Direct Unsubsidized Loans that the student must repay in full, with interest charged from the date of each TEACH Grant disbursement. For more details on the TEACH Grant service obligation, and the eligibility requirements to receive a TEACH Grant, see *Volume 1*.

With respect to enrollment status, the program must require an undergraduate student to enroll for at least 12 credit hours in each term in the award year to qualify as full time. For a graduate student, each term in the award year must meet the minimum full-time enrollment status established by your school for a semester, trimester, or quarter.

### TEACH Grant resources

**FSA Partner and School Relations Center:** 1-800-848-0978  
**FSA Partner and School Relations Center email:** [CODSupport@ed.gov](mailto:CODSupport@ed.gov)  
**TEACH Grant FAQs:** <https://studentaid.gov/understand-aid/types/grants/teach>

<sup>1</sup>See the subsection “the Sequester and TEACH Grants” later in this chapter for reductions to the maximum award amount due to the Sequester.  
<sup>2</sup>Qualifying low-income schools and educational service agencies are listed in the [Department’s Teacher Cancellation Low-Income \(TCLI\) Directory](#).

## TEACH Grant Scheduled, Annual, and Aggregate Awards

The TEACH Grant award amounts are similar to Pell awards in that there is a Scheduled Award, which is the maximum that a full-time student may receive for a year, and an Annual Award, which is the amount a student may receive for a year based on enrollment status (i.e., full-time, three-quarter-time, half-time, or less-than-half-time). The Scheduled Award for TEACH Grants is \$4,000, and the annual awards are:

Full-time .....	\$4,000
3/4-time.....	\$3,000
1/2-time.....	\$2,000
less-than-1/2-time .....	\$1,000

A student may receive up to \$16,000 in TEACH Grants for undergraduate and post-baccalaureate study, and up to \$8,000 for a TEACH Grant-eligible master’s degree program.

# Calculating TEACH Grant Payments For Payment Periods

As for other FSA programs, for purposes of calculating a TEACH Grant for a payment period, the definition of an academic year must include, for undergraduate programs of study (including those post-baccalaureate programs that are TEACH Grant eligible), both the required credit or clock hours and weeks of instructional time (see *Chapter 1*).

The formula you will use to calculate the amount of a student’s TEACH Grant that will be awarded for a payment period depends on the academic calendar used by the student’s program. These formulas are the same as for Pell Grants, with the exception of master’s degree programs. For details on these payment formulas, see *Chapter 3* of this volume. For master’s degree programs, a TEACH Grant eligible program’s academic year must be defined as at least the required number of weeks of instructional time and the minimum number of credit or clock hours that a full-time student would be expected to complete in the weeks of instructional time. Note that no payment for a payment period may be less than \$25.

## Calculation of a TEACH Grant for a payment period

[34 CFR 686.22](#)

## Crossover payment periods

If a student enrolls in a payment period that is scheduled to occur in two award years, the entire payment period must be considered to occur within one of those award years, and the school must report TEACH Grant payments to the student for that payment period as being made for the award year to which the crossover payment period was assigned. There is no requirement for a TEACH Grant crossover payment period to be placed in the same award year as Pell.

In most cases, it is up to the school to determine the award year in which the payment period will be placed. However, if more than six months of a payment period are scheduled to occur within one award year, you must place that payment period in that award year.

## Crossover payment periods

[34 CFR 686.22](#)

## Payment for a payment period from two Scheduled Awards

When a student’s payment period spans two different Scheduled Awards, the student’s payment for the payment period is calculated based on the total credit or clock hours and weeks of instructional time in the payment period, and is the remaining amount of the Scheduled Award being completed plus an amount from the next Scheduled Award, (if available) up to the payment for the payment period.

## Payment period that completes a Scheduled Award

[34 CFR 686.22\(i\)](#)

# Payment within payment period and retroactive payment

Within each payment period, you may pay the student at such times and in such installments as you determine will best meet the student’s needs. You may pay a student TEACH Grant funds in one lump sum for all prior payment periods for which the student was eligible within the award year, as long as the student has signed the Agreement prior to disbursement of the TEACH Grant (for more details on the Agreement and TEACH Grant eligibility, see *Volume 1*).

## Frequency of payment

[34 CFR 686.33](#)

# Transfer students

A student who receives a TEACH Grant at one school and subsequently enrolls at a second school may receive a TEACH Grant at the second school if the second school obtains the student’s valid SAR or ISIR with an official EFC.

The second school may pay a TEACH Grant only for that period in which a student is enrolled in a TEACH Grant-eligible program at that school. The second school must calculate the student’s award using the appropriate formula, unless the remaining balance of the Scheduled Award at the second school is the balance of the student’s last Scheduled Award and is less than the amount the student would normally receive for that payment period.

A transfer student must repay any amount received in an award year that exceeds the amount the student was eligible to receive. A student may not receive TEACH Grant payments concurrently from more than one school.

## Transfer students

[34 CFR 686.24](#)

# The sequester and TEACH Grants

On August 2, 2011, Congress passed the Budget Control Act (BCA) of 2011, which put into place a federal budget cut known as the sequester that requires a reduction in the TEACH Grant award amount that a student would otherwise be eligible to receive. For more details on the sequester and TEACH Grants, see the [May 19, 2022 Electronic Announcement](#).

# TEACH Grant Formulas

The requirements for calculating a TEACH Grant payment for a payment period are exactly the same as Pell Grant Program requirements and use the same formulas as the Pell Grant program. TEACH Grant formulas 1, 2, 3, 4, and 5 are identical to the corresponding Pell formulas. The school disburses a TEACH Grant, like Pell, over the hours and weeks of instruction in an eligible program’s academic year, as defined by the school.

As with Pell Grants, TEACH Grant Scheduled Awards are divided into at least two payments based on the payment periods in a year. The calculation formula you use depends on the academic calendar of a student’s eligible program and would be the same formula used to calculate payments of Pell Grants for that academic program. For students ineligible for Pell Grants, such as master’s degree students, you must use the calculation formula that corresponds to the academic calendar of the eligible student’s program. Refer to *Chapter 3* of this volume for detailed guidance on Pell Grant formulas.

A student’s payment for a payment period is calculated based on the coursework in the student’s TEACH Grant-eligible program. For a TEACH Grant, the school must ensure that the student’s courses are necessary for the student to complete the student’s TEACH Grant-eligible program.

## TEACH Grant formulas

- Formula 1: [34 CFR 686.22\(a\)\(1\), \(b\)](#)
- Formula 2: [34 CFR 686.22\(a\)\(2\), \(c\)](#)
- Formula 3: [34 CFR 686.22\(a\)\(3\), \(d\)](#)
- Formula 4: [34 CFR 686.22\(a\)\(4\), \(e\)](#)
- Formula 5: [34 CFR 686.25](#)

## TEACH Grant Counseling

A student must complete initial counseling before receiving their first TEACH Grant and must complete subsequent counseling before receiving each subsequent TEACH Grant. Initial and subsequent TEACH Grant counseling must be completed on the Department’s [StudentAid.gov](#) website. You will receive reports from the Department on all students who have completed counseling.

You must ensure that TEACH Grant exit counseling is conducted with each TEACH Grant recipient before the student ceases to attend your school at a time that you determine. The exit counseling must be in person, by audio-visual presentation, or by interactive electronic means (such as on the Department’s [StudentAid.gov](#) website). In each case, you must ensure that an individual with expertise in the FSA programs is reasonably available shortly after the counseling to answer the grant recipient’s questions. In the case of a grant recipient enrolled in a correspondence program or a study-abroad program approved for credit at the home school, the grant recipient may be provided with written counseling materials within 30 days after they complete the program.

It is the school’s responsibility to see that TEACH recipients receive TEACH Grant exit counseling before ceasing attendance. If you require TEACH Grant recipients to complete exit counseling on the Department’s [StudentAid.gov](#) website, you will receive reports from the Department on all students who have completed counseling. If a grant recipient doesn’t complete the exit counseling session, you must ensure that exit counseling is provided either in person, through interactive electronic means, or by mailing written counseling materials (such as the PDF version of the exit counseling program on the [StudentAid.gov](#) website) to the grant recipient’s last known address. In the case of unannounced withdrawals, you must provide this counseling within 30 days of learning that a grant recipient has withdrawn from school (or from a TEACH Grant-eligible program).

## TEACH Grant counseling

[34 CFR 686.32](#)

## Packaging TEACH Grants

The amount of a student’s TEACH Grant, in combination with any Pell Grant or other estimated financial assistance, may not exceed the student’s cost of attendance (COA). However, TEACH Grants may replace the EFC for packaging purposes.

See *Chapter 7* of this volume for packaging rules.

## Recalculating TEACH Grants

### Recalculating for changes in enrollment status

If a student’s enrollment status changes from one term to another within the same award year, you **must** recalculate the TEACH Grant award for the new payment period, taking into account any changes in the COA.

If a student’s projected enrollment status changes during a payment period after the student has begun attendance in all classes for that payment period, you may (but are not required to) establish a policy under which you recalculate such a student’s TEACH Grant award. Such recalculations must take into account any changes in the COA. In the case of an undergraduate or post-baccalaureate program of study, your school's TEACH Grant recalculation policy must match your Pell Grant recalculation policy, and you must apply the policy to all students in the TEACH Grant-eligible program.

If a student’s enrollment status changes during a payment period before the student begins attendance in all classes for that payment period, you must recalculate the student’s enrollment status to reflect only those classes for which they actually began attendance.

#### TEACH Grant recalculations

[34 CFR 686.35](#)

### Recalculating for changes in COA

If a student’s COA changes during the award year and their enrollment status remains the same, your school **may**, but is not required to, establish a policy under which you recalculate the student’s TEACH Grant award. If you establish such a policy, you must apply it to all students in the program.